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MEMORANDUM FOR THE RECORD

SUBJECT: Proposed Bill for Rewards for Rendering Information on Atomic Energy Matters

1. Companion bills were introduced in the House and the Senate providing for rewards up to \$500,000 to persons furnishing original information to the United States about the introduction of special nuclear material or atomic weapons into the United States. The bills also provide for asylum of any aliens furnishing such information if determined by the Attorney General to be in the national interest.

2. This bill was requested by the Administration as a result of action by the National Security Council which awarded sponsorship to the Department of Justice. Justice requested that CIA appear in support of the bill at an Executive Hearing on 11 August at 10 a.m. The Director authorized Mr. Houston to represent the Agency's views. Mr. Thompson of the Department of Justice's Internal Security Division spoke for the Administration, and the Joint Committee on Atomic Energy indicated general approval of the purposes of the bill.

3. Questions were directed, however, to the consideration whether the monetary rewards and the asylum could not be accomplished under authorities already given to CIA. On direct questioning by the Chairman, Mr. Houston stated that technically CIA had legal authority to take both actions, but that if the information were furnished within the country about material or weapons already introduced, the matter would be one solely of internal security and there might be a question of the propriety of CIA making any payments in this connection. The Department of Justice pointed out that a specific bill directed towards atomic information would have great psychological impact, thus tending to induce the desired information, and this position was supported by Mr. Houston.

4. Senator Pastore repeatedly questioned whether the U. S. officers and employees should be barred from sharing in the monetary rewards as provided by the bill. The Department of

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Justice took no strong stand on this point, but Mr. Rose of the Treasury Department pointed out that this was similar to provisions in regard to Customs Officials and rewards under Customs authorities. Mr. Houston stated that CIA did not believe it appropriate for its staff officers to be motivated by hope of reward either in reporting information coming to their attention or in distracting them from their assigned duties in other fields of information. He referred to existing legislation prohibiting additional compensation for work required by an employee's official duties. He did state that CIA felt that those furnishing information on any terms other than staff employment should be entitled to appropriate rewards. Mr. Kilday of Texas suggested that employees not be specifically barred in the Act but that existing law take care of the situation so that employees not having intelligence or law-enforcement duties might be eligible for monetary rewards.

5. Mr. Durham of North Carolina and Chairman Cole suggested that the Director of Central Intelligence should be made a member of the board consisting of the Atomic Energy Commission, Attorney General, and the Secretary of Defense, which under the bill would determine the amount of the reward. Mr. Houston stated that he did not believe the Director needed to become a member of the board as he would probably be responsible, at least in some instances, for evaluating the information and would act in an advisory capacity to the board. Mr. Durham suggested that the IAC should determine the amount of the reward and the bill should so state. Mr. Houston and Mr. Pforzheimer reminded Mr. Durham that the IAC was advisory to the Director of Central Intelligence and it would tend to disrupt the relationship if the IAC were given a statutory function of this nature. Mr. Houston suggested that if it were necessary to include the intelligence component at all, the Director of Central Intelligence alone should be named. Mr. Durham appeared to agree with this view.

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cc: IG
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